



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0143	<b>Title:</b>	Nonprofit corporation registry
<b>Primary Sponsor:</b>	McAlpin, Dave	<b>Status:</b>	As Introduced-Revised

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$42,390	\$42,390	\$42,390	\$42,390
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$42,390	\$42,390	\$42,390	\$42,390
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact:

The state special revenue collected under the Charity Registration Act will cover the costs associated with the proposed program.

### FISCAL ANALYSIS

#### Assumptions:

- According to GuideStar Research Database there are an estimated 1420 Montana nonprofits that filed the IRS 990 & 990EZ in 2003. The report is broken down by their reported income levels. It is assumed the number and income level distribution of nonprofits in Montana has remained the same since 2003 and will through the 2013 biennium.
- Based on the fee schedule listed in Section 3 (2)(d) of HB 143, it is estimated that \$42,390 in registration filing fees will be collected each fiscal year covered by this fiscal note [ $\$10 \times 904 \text{ charities} + \$25 \times 162 \text{ charities} + \$50 \times 122 \text{ charities} + \$100 \times 232 \text{ charities} = \$42,390$ ].

3. It is assumed that revenue will not increase throughout the term covered by this fiscal note. In the current economic situation, there could be a decrease in revenue.
4. There is no assumed revenue from failure to register penalties.
5. It is assumed that 1.00 FTE compliance technician will be needed to start on July 1, 2009 to register and monitor the nonprofit organizations and administer the duties related to this act at a cost of \$34,498 in FY 2010 and FY 2011.
6. A 2.5% increase in salary and an 8% increase in the state share are assumed for FY 2012 and FY 2013 which will result in a total personal services cost of \$35,778 in FY 2012 and \$37,022 in FY 2013.
7. The new employee office package will cost \$1,200 and the new computer equipment will cost \$1,400 in FY 2010 only.
8. The rent, phone, data line, supplies, and cost of postage and printing related to communications with the nonprofits are estimated to be \$11,991 in FY 2010 and ongoing through the 2013 biennium of which the Office of Consumer Protection will absorb the difference between revenue and expenditures. Operating expenses covered by this fund will be \$5,292 in FY 2010, \$7,892 in FY 2011, \$6,612 in FY 2012, and \$5,368 in FY 2013.
9. A 2.5% inflation factor in operating expenses is assumed.
- 10.
1. 17-1-508, MCA requires analysis of the statutory appropriation relative to the guidance in 17-1-508 (2), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines. Answer yes or no to each of the following guidelines regarding the statutory appropriation:

	<u>YES</u>	<u>NO</u>
a. The fund or use requires an appropriation.	x	
b. The money is not from a continuing, reliable, and estimable source.		x
c. The use of the appropriation or the expenditure occurrence is not predictable and reliable.		x
d. The authority does not exist elsewhere.	x	
e. An alternative appropriation method is not available, practical, or effective.		x
f. Other than for emergency purposes, it does not appropriate money from the state general fund.	x	
g. The money is dedicated for a specific use.	x	
h. The legislature wishes the activity to be funded on a continual basis.	x	
i. When feasible, an expenditure cap and sunset date are included.		x

Comments:

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b><u>Fiscal Impact:</u></b>				
Department of Justice				
FTE	1.00	1.00	1.00	1.00
<b><u>Expenditures:</u></b>				
Personal Services	\$34,498	\$34,498	\$35,778	\$37,022
Operating Expenses	<u>\$7,892</u>	<u>\$7,892</u>	<u>\$6,612</u>	<u>\$5,368</u>
<b>TOTAL Expenditures</b>	<u><u>\$42,390</u></u>	<u><u>\$42,390</u></u>	<u><u>\$42,390</u></u>	<u><u>\$42,390</u></u>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$42,390	\$42,390	\$42,390	\$42,390
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$42,390	\$42,390	\$42,390	\$42,390
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

\_\_\_\_\_  
*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*